

City of Detroit

CITY COUNCIL

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TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr., Director *ICJ*
Derrick Headd, Fiscal Staff Analyst *DH*

DATE: September 23, 2009

RE: Projected Savings of Recreation Service Cuts (**Discussion C**)

During the September 17, 2009 meeting of the Neighborhood & Community Services Committee, Councilmember Watson asked the Fiscal Analysis Division to report on the projected savings of the recent Recreation Department service cuts.

Recreation Department Cuts

Based on our review and our initial contact with the department, it appears the level of cuts in hours of service for the 13 recreation centers currently open and the cuts in staffing total approximately \$1.5 million (5%), of an overall \$30.146 million annual budget. It appears that as an alternative to wholesale closings of several recreation centers and additional layoffs, the Recreation Department provided an alternative plan for savings, which limited layoffs and allowed the department to keep all of the currently active recreation centers open.

We cannot report definitively on the cuts initially requested by the Administration, given the fact that a budget reduction plan has to-date, not been shared with Council. We can, however, report that prior to the service cuts, the currently operative 13 recreation centers functioned primarily on a cycle of 12-hour days, with 35 program staff throughout the system to administer the daily recreational activities and programs. Initially, the Recreation Department was faced with the prospect of eliminating a level of staffing which could have resulted in the additional closures of recreation centers. Included in the initial cuts was the loss of 3 recreation supervisors.

Details of Recreation's Alternative Proposal

The Recreation Department's alternative proposal lowered the loss of positions, which included the retention the 3 recreation supervisors, but recreation facility staffing was reduced from 35 to 19 positions. The initial annual savings for an entire fiscal year for the cut of 16 positions is approximately \$750,000. Correspondingly, given the cuts in staffing, the level of service hours for the recreation centers was cut from 12 hour to 8 hour days (33%), thereby by the department's estimates, it would save the department another \$750,000, giving the department a full fiscal year savings of \$1.5 million.

Conclusion

Finally, given that the Recreation Department operated at least a full quarter of the fiscal year without any cut plan in place, the true nature of the savings in the current fiscal year will run closer to \$1.125 million (3.7%) rather than the \$1.5 million estimated for a full fiscal year.

This particular situation, citizens appearing before Council to inform the members of major budgetary cuts which have significantly impacted Recreation's daily operations, reaffirms the importance of the Administration to share with Council the details of its overall cut plan, involving all City departments.

Any suggestions to modify these plans should be based on a consensus between the City's policy makers, the Council and the Mayor's Office, with the inclusion of the Recreation Department to opine on how doable it would be to implement any changes.

Please let us know if we can be of any further assistance.

cc: Council Divisions
Auditor General's Office
Alicia Minter, Recreation Department
Norman L. White, Chief Financial Officer, Finance Department
Terrence King, General Services Department
Pamela Scales, Budget Department Director
Donna McAlister, Budget Department
Kamau Marable, Mayor's Office

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